

OUTGOING MESSAGE

Approved For Release 2005/04/21 : CIA-RDP78S01932A000100010001-6

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CLASSIFICATION																											
CONFIDENTIAL																											
MESSAGE HANDLING INDICATOR																											
DATE-TIME GROUP																											
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CIA/WHSS																											
MESSAGE REFERENCE NUMBER																											
22764																											
ITEM 1																											
SOURCE REF: 700																											
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ITEM NO: 1

DATE: 2 JANUARY 74

SUBJECT: NEW JAPANESE PROPOSALS ON MONETARY REFORM

ACCORDING TO A JAPANESE NEWSPAPER, JAPAN WILL PRESS FOR AN EARLY RETURN TO FIXED EXCHANGE RATES AT THE ROME IMF MEETING SCHEDULED FOR 17-18 JANUARY. IN ADDITION, TOKYO REPORTEDLY WILL OFFER A NEW PROPOSAL FOR FIXING THE VALUE OF SPECIAL DRAWING RIGHTS (SDRS).

TOKYO HAS BECOME INCREASINGLY EAGER TO RETURN TO FIXED EXCHANGE RATES SINCE NOVEMBER, WHEN THE YEN CAME UNDER STRONG DOWNWARD PRESSURE. GIVEN THE HEAVY CENTRAL BANK INTERVENTION--\$1.6 BILLION IN DECEMBER--TO MAINTAIN THE PRESENT EXCHANGE RATE, ANY NEW FIXED RATE SURELY WOULD REQUIRE A DEVALUATION OF FROM

DATE:
ORIG:
UNIT:
EXT:

RELEASING OFFICER

COORDINATING OFFICERS

CLASSIFICATION

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

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25X1

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SIGNAL CENTER USE ONLY

AGE COI ACP TOG TPE MRQ TRI OP PAGES
SCM 0 0 0 0 0 0 0 2 2

CLASSIFICATION

CONFIDENTIAL

MESSAGE HANDLING INDICATOR

DATE-TIME GROUP

CITE

MESSAGE REFERENCE NUMBER

SOURCE REF:

22764

ROUTING

1	4	7	10
2	5	8	11
3	6	9	12

5% TO 10%. THE PROPOSAL FOR VALUING SDRS MAY BE A MODIFIED
VERSION OF A COMPROMISE OFFERED EARLIER, AND ALMOST CERTAINLY
WOULD REFLECT TOKYO'S DESIRE TO SEE THE SDR BECOME AN ATTRACTIVE
ASSET AND A VIABLE ALTERNATIVE TO GOLD.
(SPECIAL DISTRIBUTION: EAP DIV AND NIO

25X1

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